

WASHTUCNA SCHOOL DISTRICT No. 109
Adams County, Washington
September 1, 1994 Through August 31, 1995

Schedule Of Findings

1. The District Should Improve Internal Control Procedures Over Revenues

During our audit we identified several weaknesses in the internal control procedures for recording district and Associated Student Body (ASB) revenues. Our audit tests disclosed that:

- a. Segregation of duties is not maintained between depositing and reconciliation responsibilities. Cash is being deposited by the same employee who prepares bank reconciliations and agrees the district records to the county records. There is no supervisory review of this person's duties.
- b. Inventory, receipting, and reconciliation procedures over ASB concessions were inadequate to determine if all revenue is properly recorded. There are no procedures in place to determine if concession sales and deposited receipts are comparable.
- c. The ASB advisors or district management do not prepare and maintain documentation to determine if revenue from fundraising activities is reasonable. There is no supervisory review of the duties of the ASB advisors as related to the management of fundraising activities.

The district does not have formal policies and procedures for cash handling. In addition, there are no policies and procedures for supervisory review. Inadequate internal controls decrease accountability for revenues and increase the potential for fraud and/or misappropriation to occur and not be detected. Weak internal controls also make it difficult to fix responsibility.

Section III-G-1 of the *Accounting Manual for Public School Districts in the State of Washington* states in part:

An internal control system . . . (should) ensure that resource use is consistent with law, regulation, and policy; that resources are guarded against waste, loss, and misuse; and that reliable data are obtained, maintained, and fairly disclosed in reports.

We recommend the district develop, implement, and enforce more effective procedures for receipting and recording of district and ASB revenues.

2. The District Should Implement Procedures To Ensure Staff Mix Is Accurately Reported

Our audit of the Legislative Evaluation and Accountability Program (LEAP) placement for certificated personnel resulted in occurrences of incorrect reporting of eligible credits earned and years of experience.

We tested personnel files of four of the thirteen certificated personnel for proper reporting of staff mix factors. Two of the records included academic and excess credits less than reported, one was greater than reported credits, and the fourth record showed the highest level degree attained one year later than what was reported.

Staff mix factors are an integral part of the state funding formula for school districts. The factors are determined by each individual's educational training and professional experience as of October 1 of each year, and assigning to them on this basis, the appropriate staff mix factor from the LEAP table.

Washington Administrative Code 392-121-270 states in part:

Each certificated instructional employee with a degree shall be placed on the state-wide salary allocation schedule and on LEAP Document 1 based on the employee's years of experience, highest degree level, and total eligible credits as defined in this chapter.

District officials were unaware of the errors in reporting staff mix factors to the Superintendent of Public Instruction (SPI).

We recommend the school district correct all staff mix factors reported to SPI and review all certificated personnel files to ensure that information is current and correct.